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Review of the efficiency of the administrative and financial functioning of the United Nations

Report on the activities of the Office of Internal Oversight Services

Review of results-based management in the United Nations

Report of the Office of Internal Oversight Services

Summary

Results-based management involves focusing on what occurs beyond the process of translating inputs into outputs, namely outcomes (or "expected accomplishments") to which it seeks to bring accountability. An inherent constraint of results-based management is that a formalistic approach to codifying how to achieve outcomes can stifle the innovation and flexibility required to achieve those outcomes.

The Office of Internal Oversight Services (OIOS) finds that the introduction of results-based management in the Secretariat has been dealt with as an addition to the myriad rules and procedural requirements that govern inputs, activities, monitoring and reporting. It has not been accompanied by any relaxation of the volume, scope or detail of regulatory frameworks pertaining to financial, programmatic and human resource management. For each of these, there are separate and incompatible systems, rules and regulations.

OIOS finds that the shortcomings of results-based management go back to the original design, as reflected in General Assembly resolution 55/231 on results-based budgeting. As a first step towards results-based management, this resolution was inadequate because it:

(a) Barred the use of indicators of achievement for adjustment of resources;

* A/63/150 and Corr.1.

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(b) Reiterated limitations on the authority of the Secretary-General to shift resources between post and non-post budget lines.

Moreover, OIOS finds that:

(a) The Secretariat statements of results that are based on General Assembly resolutions are often vague and the determination of success does not lend itself to impartial, transparent and precise measurement. Outcomes are invariably influenced by multiple actors and external risk factors outside United Nations control;

(b) Many of the results planned for have been expressed in a self-serving manner, lack credible methods for verification and involve reporting that rests upon subjective judgement. Performance measures frequently lack baselines and targets and many are not regularly tracked;

(c) OIOS also notes that "expected accomplishments" largely relate to individual sections or divisions, with no target-setting or measurement for objectives that transcend divisions or departments or seek to capture longer-term objectives of the United Nations as a whole. Results-based management has thus not contributed to higher order policy prioritization or to laying the ground for strategic debate.

OIOS concludes that although aspirational results are utilized to justify approval of budgets, the actual attainment or non-attainment of results is of no discernable consequence to subsequent resource allocation or other decision-making. Financial and programmatic records do not compare. Reporting on results does not feed into the budgeting calendar. The metrics do not exist to systematically determine efficiency and effectiveness of the organization. OIOS also finds that the exercise of accountability is not cast from review of outcomes but from ascertaining that there is no negligence, misconduct or breach of rules and regulations.

Also, the rules and regulations for programme planning, budgeting, monitoring and evaluation have blurred the distinction between the separate roles of evaluation as opposed to monitoring and of independent evaluation as opposed to self-evaluation.

Results-based management is ultimately not within the powers of the Secretary-General to implement within his restricted administrative authority. It is not a technical skills challenge. The "culture" of the Organization will not be changed by data collection efforts of "practitioners" within the Secretariat. If results actually produced do not guide General Assembly decision-making and if simultaneously there is no relaxation of process controls, results-based management will continue to be an administrative chore of no real utility.

In spite of the shortcomings raised, OIOS recognizes that results-based management is, at some level, likely to remain an aspiration for the Organization. In this spirit, OIOS offers six recommendations:

1. Establishment of a policy framework to outline the eventual extent and limitations of results-based management at the United Nations Secretariat, to be accompanied by an internal control framework that addresses delegation of authority and the criteria of decision-making to be informed by results-based management.

2. Initiation of a review and revision to the rules and regulations pertaining to programme planning, budgeting, monitoring and evaluation.

3. Consolidation of the reporting obligations of the Secretary-General to the General Assembly.

4. Integration of programmatic results frameworks within the first phase of the enterprise resource planning strategy of the Organization.

5. Update and revise the range of output categories subject to planning and monitoring.

6. Strengthen the technical and methodological capacities of the Organization.

OIOS selected the topic of results-based management on the basis of previous audits, inspections and evaluations, having identified it as a Secretariat-wide vulnerability. OIOS also noted that the Assembly had endorsed a results-based management benchmarking framework developed by the Joint Inspection Unit. The present report is based on a review of practices in individual Secretariat entities, combined with a desk review of General Assembly resolutions relevant to results-based management, Secretariat reporting and evaluations of results-based management in other international organizations.

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I. Introduction

A. Results-based management: definitions, mandate and instruments

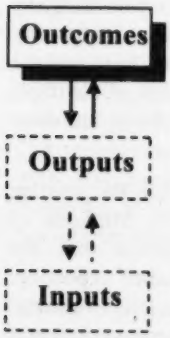
1. The Office of Internal Oversight Services (OIOS) Glossary of Monitoring and Evaluation Terms[1] defines results-based management as:

> "A management strategy by which the Secretariat ensures that its processes, outputs and services contribute to the achievement of clearly stated expected accomplishments and objectives. It is focused on achieving results and improving performance, integrating lessons learned into management decisions and monitoring of and reporting on performance".

2. Results-based budgeting, however, is defined as a:

> "programme budget process in which (a) programme formulation revolves around a set of predefined objectives and expected results, (b) expected results justify the resource requirements which are derived from and linked to outputs required to achieve such results and (c) in which actual performance in achieving results is measured by objective performance indicators".[2]

Figure I
Results-based management is about what occurs beyond outputs



3. In their most essential form, both results-based budgeting and results-based management build upon assumption of a logical hierarchy or chain of cause-and-effect relationships from inputs through outputs to outcomes (and eventually beyond to "impact" as a separate category of ultimate, longer-term effects). Both results-based budgeting and results-based management involve an intention to bring focus to outcomes. Results-based budgeting brings particular emphasis to outcomes in conjunction with consideration of budgets and results-based management shifts the focus of attention to such results throughout the cycle of planning, budgeting, work implementation, monitoring and evaluation. With its focus on outcomes, results-based management involves a paradigmatic shift away from a culture of compliance with rules and regulations pertaining to processes and activities as

[1] Office of Internal Oversight Services, Glossary of Monitoring and Evaluation Terms, available at http://www.un.org/Depts/oios/mecd/mecd_glossary/index.htm.

[2] United Nations guide to results-based budgeting, available at http://ppbd.un.org/pdf/Rbbguide.pdf, annex 1.

embodying the highest virtue of public service. With outcomes thus being the principal entry point to performance reporting and assessment, the presumptive corollary is a lesser burden of procedural requirement, albeit without thereby compromising standards of professional conduct. From an evaluative perspective, a critical distinction between outputs and outcomes is that efficiency is associated with the production of outputs, while effectiveness is associated with attainment of outcomes.

4. The legislative basis of the planning and budgeting process of the United Nations Secretariat[3] is:

(a) General Assembly resolution 41/213, which stipulates the roles of the Assembly and its subsidiary bodies in reviewing the budget;

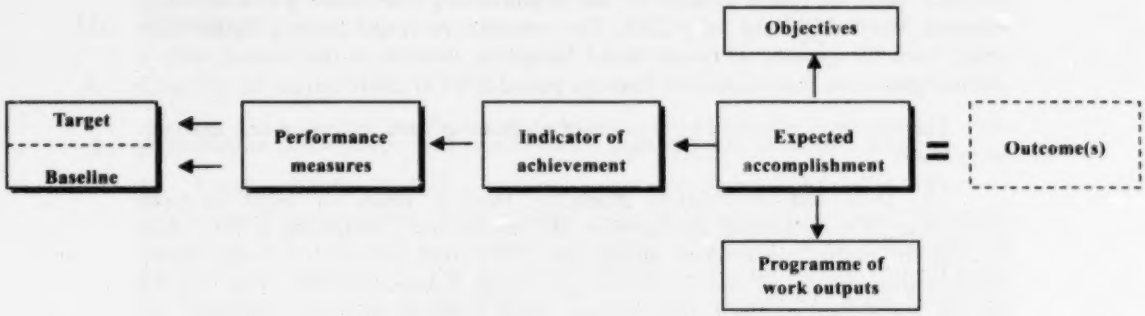
(b) The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8), which spell out the cycle, structure and periodicity of the budget, together with responsibilities for planning, monitoring and reporting.

5. In 2001, the General Assembly decided, by its resolution 55/231, to introduce results-based budgeting on condition of compliance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, the applicability of which have since been reaffirmed (see, for example, Assembly resolution 56/253). With resolutions 57/290 B and 59/296, results-based budgeting was subsequently also mandated in respect of peacekeeping budgets. Resolution 55/231 followed the goal expressed by the Secretary-General in his 1997 reform programme, of "shifting the focus of planning, budgeting, reporting and oversight from how things are done to what is accomplished" (see A/51/950, para. 240).

6. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation are also the foundation for instructions and guidelines that are periodically issued in support of planning, budgeting and performance reporting. Since the budget for the biennium 2002-2003, planning starts with entities articulating a strategic framework to implement applicable intergovernmental mandates. This framework is centred on subprogrammes (usually based on an organizational division), in reference to which there are overarching objectives and "expected accomplishments" corresponding to more specific outcomes to which the division concerned intends to contribute within a given biennium. Expected accomplishments are thus the key level or "unit of account" for results-based planning, budgeting and management at the United Nations. The expected accomplishments are accompanied by "indicators of achievement". At the budget preparation stage, "performance measures" that capture the anticipated degree of change in the indicator of achievement (i.e., from baseline to target) and a schedule of outputs is added. The process is also described in the proposed strategic framework for the period 2008-2009 (A/61/6/(Part one)).

[3] Comprising all entities that draw resources from the regular budget of the United Nations.

Figure 2
Corresponding to outcomes, United Nations "accomplishments" are defined with several subcomponents



7. Lastly, the requirements of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation also prescribe the scope, form and content of the Integrated Monitoring and Documentation Information System (IMDIS), the information technology system used to support programme planning and performance reporting. IMDIS also serves as a vehicle for compiling the biennial programme performance report of the Secretary-General, which thus completes each cycle of results planning and management. For the biennium 2008-2009, the United Nations Secretariat, including the Department of Peacekeeping Operations but not individual peacekeeping missions, has 674 separate expected accomplishments, for which there are 1,119 indicators of achievement, for the 214 subprogrammes of the 32 main budget sections of the Secretariat, compared with 494 expected accomplishments and 679 indicators of achievement in the biennium 2002-2003. OIOS notes that, among the expected accomplishments of the Secretariat there is no particular order of priority.

B. Review objectives and methodology

8. Within the mandate of OIOS (see General Assembly resolution 48/218 B), the review of results-based management was selected on the basis of previous audits, inspections and evaluations having identified the use of results-based management as a Secretariat-wide vulnerability. OIOS also notes that the Assembly has endorsed a results-based management benchmarking framework developed by the Joint Inspection Unit (see Assembly resolution 60/257 and the report of the Committee for Programme and Coordination (A/60/16 and Corr.1, para. 248)) and recommended its use as a tool for the oversight bodies; that framework has thus served to inform the current review. OIOS also notes that the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and its Funds, Programmes and Specialized Agencies made the comprehensive implementation of results-based management the first of its recommendations on governance (see vol. III of the report of the Committee contained in document A/60/883/Add.1).

9. The present review has as its overall objective an assessment of the efficiency, effectiveness and relevance of the overall framework of results-based management in the United Nations Secretariat, in order to thereby inform the deliberations of Member States on future policies for the Organization. The review was undertaken between March 2007 and June 2008. The materials reviewed cover a longer time span, from the genesis of results-based budgeting through to the present, with a main emphasis on documentation from the period 2004 to 2007.

10. The review is informed by five major methods of data collection and analysis, as follows:

(a) Data and conclusions emerging from a series of eight in-depth inspections of results-based management and results-based budgeting in individual Secretariat entities undertaken during the 2007-2008 period: (i) results-based management reviews of the Economic and Social Commission for Asia and the Pacific, the Office of the United Nations High Commissioner for Refugees, the Office for the Coordination of Humanitarian Affairs and the United Nations Environment Programme[4] and (ii) results-based budgeting reviews of the United Nations Interim Administration Mission in Kosovo, the United Nations Mission in Liberia, the United Nations Mission in the Sudan and the United Nations Integrated Mission in Timor-Leste.[5] These involved an estimated total of 643 individual interviews, 104 focus group meetings and a combined total of 1,106 survey respondents (estimated response rate 15.7 per cent);

(b) Recent OIOS thematic reviews of relevance to results-based management, such as on the use of client satisfaction data and web metrics as performance measures,[6] evaluation capacities and needs[7] and compliance with programme performance reporting requirements;[8]

(c) Desk review of the various resolutions, reports, systems and guidelines issued by the General Assembly, the Secretary-General and programme managers that address, directly or indirectly, results-based management in the United Nations Secretariat;

(d) A review of the database of United Nations Secretariat results frameworks as recorded in IMDIS;

(e) A desk review of evaluative evidence pertaining to implementation of results-based management in other multilateral organizations and in national public administrations.

11. There are no internationally agreed upon standards that define what should be included within a results-based management system. The review by OIOS was guided by a series of analytical questions subsumed under four broad headings: (a) clarity of objectives; (b) performance measures; (c) practice of monitoring and evaluation; and (d) the utility for decision-making of results-based management information.

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[4] OIOS report INS-07-003, INS-07-005, INS-07-006 and IED-08-005, respectively.

[5] OIOS report INS-07-001, INS-07-002, INS-07-004 and INS-08-001, respectively. Peacekeeping results-based budgeting reports have also been synthesized into report INS-08-02.

[6] OIOS report IED-2006-005.

[7] OIOS report IED-2006-006.

[8] See OIOS reports INS-COM-08-001 (Compliance with programme performance documentation at end of 2006-2007 biennium) and INS-COM-07-002 (IMDIS 18-month reporting status).

12. The draft of the present report was shared with management and the comments of the Secretary-General are reflected in the report.

II. Findings

A. Clarity of objectives

1. Articulation of the purpose of results-based management as an enterprise

13. OIOS notes that there is no clear common understanding of the objectives of results-based management at the United Nations Secretariat. General Assembly resolution 55/231 provides a legislative mandate for results-based budgeting, not results-based management. For the larger enterprise of results-based management, the Assembly has given its endorsement by extension through resolution 60/257 by which it adopted the Joint Inspection Unit results-based management benchmarking framework that had been presented to and recommended by the Committee for Programme and Coordination. Building on the Joint Inspection Unit framework, the United Nations System Chief Executives Board for Coordination (CEB) has likewise adopted results-based management as a tool of reform and has proceeded to host a "community of practice" (see CEB/2005/HLCM/R.6, para. 48). Moreover, further to Assembly resolution 61/245, the Secretary-General has presented to the Assembly a review of results-based management in the context of accountability, risk management and internal control (A/62/701). *In commenting on the draft of the current report, the Deputy Secretary-General stated that the Secretariat has been implementing results-based budgeting not results-based management and that although these terms are related and often used interchangeably, they are in fact two different management concepts.*

14. The review of OIOS is guided by the understanding that introduction of results-based budgeting in the Secretariat was intended as a step towards results-based management.[9] However, OIOS finds that neither Assembly resolution 60/257 nor any other Assembly resolution explicitly defines what results-based management is meant to do for the Organization. OIOS finds a range of views, from those who see it narrowly either as a presentational tool convenient for fund-raising (CEB/2007/HLCM-HLPC/XIII/2, para. 9) or as a compliance-reporting mechanism, through to those who see results-based management as aimed at changing the internal organizational "culture" or being aimed at facilitating more fundamental reform of how the United Nations functions (E/2007/69, para. 69) at the level of strategic prioritization.

15. As noted by the Joint Inspection Unit, in the Secretariat the term results-based management is, in practice, often used interchangeably (JIU/REP/2006/6, para. 31) with results-based budgeting. In this regard, OIOS notes that the original guidelines on results-based budgeting[10] state that "RBB is not just about budgets, but has the potential to bring about a change in strategic management, accountability and responsibilities". The objectives of results-based management have been more explicitly expressed within the United Nations Development Group with which a

[9] OIOS also notes that General Assembly resolution 55/231 refers to "gradual implementation".

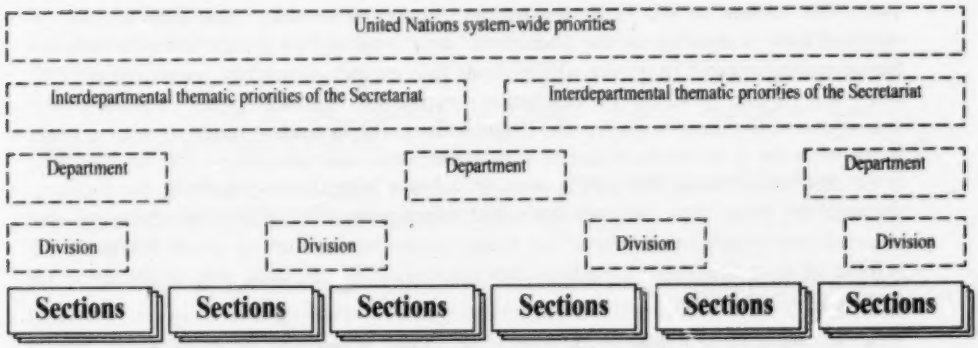
[10] Available at http://ppbd.un.org/pdf/Rbbguide.pdf.

number of United Nations Secretariat entities are affiliated[11] and for which a body of definitions, policy and guidance materials have been agreed.[12]

2. Priority of expected accomplishments

16. OIOS notes that expected accomplishments are the sole level of results formulation matched by indicators or measurable performance targets. The expected accomplishments actually usually correspond to the work of individual sections. Similar formulation of results, with associated indicators and performance targets, is not done at the level of division, department or budget section, or for the United Nations as a whole. The results-based management framework does not therefore bring any degree of measurability or evidence-gathering to the strategic debate and decision-making pertaining to higher order organizational priorities. United Nations staff frequently express frustration with the absence of a clear framework for overarching Secretariat leadership and coordination. At the same time, they recognize that results-based management needs to be adapted to the multiplicity of operating environments at the United Nations. OIOS observes, and is supported by survey findings and personal testimony from virtually all stakeholders in the United Nations Secretariat programmes reviewed, that the planning and budgeting process does not facilitate an appropriate level of strategic debate and decision-making. The budget process is predominantly focused on scrutiny of posts and other inputs, with no clear reference to strategic priorities or past contributions to outcome-level results.

Figure III
Hierarchy of accomplishments in the context of strategic issues faced by the United Nations



[11] Office of the High Commissioner for Human Rights, United Nations Human Settlements Programme, United Nations Office on Drugs and Crime, Department of Economic and Social Affairs, United Nations Conference on Trade and Development, Department of Public Information, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Office of the Special Representative of the Secretary-General for Children and Armed Conflict, United Nations Environment Programme, Office of the United Nations High Commissioner for Refugees, Office for the Coordination of Humanitarian Assistance.

[12] See, for example, http://www.undg.org/archive_docs/2485-Results-Based_Management_Terminology_-_Final_version.doc.

3. Precise attribution and accountability in terms of results orientation

17. Whereas results-based management involves the intention of expanding accountability from process alone to also comprise attainment of results, the dilemma is that there is a corresponding loss of precision in the level of control. With multiple actors and factors exerting an influence upon outcomes, the degree of uncertainty, risk and external influence expands, while the possibility of attributing change to its individual component diminishes. In fact, the more outcome- or impact-oriented that chosen operational objectives are, the more difficult it becomes to codify practice into rules and regulations. The more one tries to proceduralize attainment of results, the more likely it becomes that the innovation and flexibility required to attain results is undermined.

18. Interviews with United Nations Secretariat managers and staff show that there is a high awareness of the attribution problems of results-based management. Staff are fully aware of how their authority is limited, how results often depend on actions that are outside their own control and, in particular, what they cannot reasonably be held responsible for. Managers thus are most comfortable with result statements that correspond to what they are able to control. Inputs, activities and outputs are possible to keep track of and accountability is not subject to dispute. OIOS notes that the degree of precision to which possible attribution and accountability can be defined flows from the original guidance materials using the definition: "Accomplishments are the direct consequence or effect of the generation of outputs and lead to the fulfilment of a certain objective".[2] This can be interpreted in a manner that trivializes the cause and effect relationships that are at play. The fact that outputs ought to significantly affect expected accomplishments does not necessarily mean that they do.

B. Performance measurement

1. Measurement of expected accomplishments

19. Based on its inspection of individual entities as well as its review of results frameworks in the Secretariat as recorded in IMDIS, OIOS found that the degree of results-orientation reflected in the expected accomplishments varies greatly. Although some expected accomplishments do reflect change at the level of outcomes, there are also many expected accomplishments and associated indicators of achievement that have been formulated at the level of activities and outputs, typically the number of meetings organized or website visitors, the volume of documents disseminated, the number of Member States attending meetings or participating in projects and citations of the work of a particular section. For some programmes reviewed in depth by OIOS, the bulk of expected accomplishments are formulated in such terms. At the same time, OIOS identified instances of a logical disconnect between the expected accomplishments on the one hand and the indicators on the other, that is, that they are two separate substantive phenomena.

20. For example, while an expected accomplishment might be framed as "effective implementation of outcomes of global conferences", the indicator may be framed not in terms of outcome itself but by degree of satisfaction expressed by participants at a particular meeting backstopped by the division in question. In some other cases, measurement boils down to the number of participants in events for which the United Nations provides travel costs and per diem. In other cases, the performance

measures speak to manpower resources or volume of funding that has been raised by the division or section in question.

2. Objectivity and precision of measurements

21. In several of the results-based management inspections undertaken by OIOS, it was found that the majority of indicators did not satisfy the "SMART" criteria (specific, measurable, attainable, relevant and time-bound) meaning, in short, they were either a poor substantive reflection of the intended expected accomplishment or that they were not actually possible to track in practice. In many cases, their observation was fundamentally dependent upon the subjective judgement of the programme managers in question, for example, where indicators revolve around "critical initiatives" of a given division or "key actions" on the part of Member States. In many cases programmatic results data rest on anecdotal evidence with a poor methodological basis or are absent altogether. An illustration is provided by the case of client benefits, notionally the key entry point for expected accomplishments as defined in the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (rule 105.4 (a) (iii)): "... those benefits or changes expected to accrue to users or beneficiaries ...". In a review of practices in 22 Secretariat departments,[13] OIOS found the definition of clients to be inconsistent and the determination of benefits or satisfaction frequently to be based on methodologies that lacked rigour. OIOS found a number of instances of surveys administered by selecting an activity or an output that is generally considered a success and thus not typical of the full range of services needed to make progress towards an expected accomplishment. Along the same lines, there were several cases of satisfaction ratings being derived from unbalanced scales, whereby the number or labelling of response options are tilted towards yielding favourable ratings. OIOS also noted that practices for maintaining respondent anonymity vary.

3. Measurement as outcome

22. Another area of results-based management practice that involves indicators that inherently defy the idea of results-orientation is the standardized formulations pertaining to executive direction and management, as prescribed by the budget instructions. All pre-defined indicators are expressed in terms of administrative or bureaucratic milestones that do not necessarily connect with the much more substantive expected accomplishments. For both the 2004-2005 and the 2006-2007 bienniums, budget instructions[14] specified "Programme of work is effectively managed and supported by staff and financial resources" as a standardized expected accomplishment with the associated indicators stipulated as "Timely delivery of outputs and services", "Timely recruitment and placement of staff" and "Full utilization of resources". However, what is thereby subjected to measurement, i.e., timeliness and expense, are certainly not outcomes in the results-based management sense. Meanwhile, the notion of effectiveness is trivialized by its association with activity and process instead of attainment of outcomes.

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[13] OIOS report IED-2006-005.

[14] Para. 31, annex 6, of http://ppbd.un.org/bi04/Instructions.doc and para. 52, annex 5, of http://ppbd.un.org/Bi06/.

23. On the other hand, OIOS found results frameworks for which the intergovernmental bodies had specified indicators of achievement corresponding to outcomes that are undoubtedly desirable, but for which respective entities should be held responsible. A case in point is OIOS's own results framework, for which, in response to General Assembly expectations, indicators have been defined in terms of the degree to which oversight recommendations have been implemented. OIOS notes the ensuing perverse underlying incentive: namely, to concentrate on recommendations that are easy to implement.

4. Absence or disconnect of performance-measure baselines and targets

24. OIOS found[15] that in respect of a quarter of the 974 indicators specified for the biennium 2004-2005 no observations were ever recorded. Among those for which observations were made, a high proportion required a significant degree of subjective assessment. An issue separate from the choice of indicator as such is that of target-setting. Strategic planning guidance and budget instruction materials offer no precision as to how managers should set their ambitions: between what they are more or less certain to achieve on the one hand and imaginary "stretch" goals on the other. There are several instances of indicators of achievement being disconnected from performance measures. An illustrative disconnect between expected accomplishment, indicator of achievement and performance measure is the case of "national capacities for ... strengthened" (as the expected accomplishment) being verified by the indicator of achievement "number of countries implementing (e.g., legislation) ..." and the performance measure being "number of delegations attending ...". Elsewhere performance measures have been given no baseline and no target at the time of budget approval. Because there is no requirement that resource allocation be disciplined through ex ante vetting of the realism behind stated results ambitions, programme managers are able, in effect, to set their own performance targets once the biennium is under way. That is possible by retroactively setting baselines which were "to be estimated" at time of budget approval, by substituting one measure for another or by introducing altogether new items of measurement.

5. Performance assessment on the basis of inputs and outputs

25. In respect of both General Assembly deliberations and internal management, the notions of performance measurement and assessment remain predominantly geared towards scrutiny of inputs, activities and outputs rather than outcome-level results. This applies across the programmatic, financial and personnel management realms. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (Regulation 6.1 and Rule 106.1) stipulate that programmatic accomplishments should be measured by delivery of scheduled outputs. Assembly resolution 55/231 prescribes that requested resources should be justified in terms of the requirements of output delivery. The budget performance reports track expenditure versus line-item appropriation. Also, it is the rate of output implementation, and in particular the conformity of actual output delivery with a legislatively mandated programme of work, that remains the aspect of programme performance assessment upon which the Assembly puts the greatest emphasis.[16] For

[15] OIOS report IED-2006-006.

[16] As evidenced by time devoted by the Committee for Programme and Coordination to review of the programme performance report.

the biennium 2008-2009, more than 44.000 individual outputs have thus been mandated. On the part of Secretariat staff, a frequently cited connotation of results-based management is that it should free them from detailed and burdensome regulatory detail, as long as they adhere to appropriate standards of professional conduct. However, OIOS finds that the introduction of results-based management has not been accompanied by any discernable relaxation of the scope, detail or overall burden of effort associated with the body of rules and regulations that aim to control and guide what managers and staff may and may not do.

C. Practice of monitoring and evaluation

1. Multiple tracks of monitoring and reporting

26. Secretariat monitoring practices are based on separate procedures, systems and reporting tracks pertaining respectively to financial, programmatic and staff planning processes. Each of the three tracks has different notions of success and performance, which cannot readily be reconciled or compared. Budget performance is reported in terms of expenditure per budget line, while the programme performance report presents outputs by subprogrammes. Individual workplans follow generic descriptions of activity rather than the substantive results frameworks that give rationale to the budgets of their respective organizational units. OIOS recognizes that different organizational functions require different types and detail of information but also understands results-based management as being aimed at enabling stakeholders to obtain an overall view of the work and performance of the Organization. The Secretary-General has acknowledged that improved alignment of budgetary data with output records will be needed to promote progress towards results-based management (A/61/826, para. 15) and OIOS concurs with his view that: "the separation of programmatic and financial planning and reporting directly contributes to the governance problems of the organization, impeding determination of effectiveness and strategic consideration of substantive issues" (A/60/733, para. 20).

Table
Separate tracks of performance planning and reporting

	Financial	*Programmatic*	*Personnel*
Procedures	ST/SGB/2003/7	ST/SGB/2000/8	ST/SGB/2007/4 and ST/SGB/2007/3
Information technology system	Integrated Management Information System (IMIS)	Integrated Monitoring and Documentation Information System (IMDIS)	Electronic performance assessment system (e-PAS)
Reviews	(First and second) budget performance report (A/61/593 and A/62/575)	Programme performance report (A/63/70)	Annual performance appraisal

27. OIOS notes that there have been a number of General Assembly resolutions in support of report consolidation (for example, resolutions 57/300, para. 20, 58/316, annex, para. 6, and 59/313, para. 16), but that the proposed template for consolidated annual reports did not meet with the approval of Member States (see A/62/352 and A/62/164). OIOS believes it to be essential that performance-related reporting from the Secretary-General be consolidated from its current multiple, fragmented tracks and proposes that the assumption that such reporting would need to be complementary to existing reports be revisited (see resolution 60/283, sect. V, para. 5). This is not to the detriment of future results-based management systems and practices being tailored to the unique circumstances of particular subsectors and individual entities.

28. OIOS notes with concern that integration of programmatic performance information has not been clearly identified as a necessary component of what needs to be integrated within the planned enterprise resource planning system (see A/62/510) that is being developed as part of the Secretariat's information, communications and technology strategy (see A/62/793). OIOS stresses that if the enterprise resource planning strategy is to enable the Organization to deliver on the rationale given, namely that "the absence of an integrated information system for managing resources is seriously hampering the ability of the United Nations to deliver results effectively and efficiently" (see A/62/510, summary), programme results frameworks need to be an integral component.

2. Data comparability within or among programmes

29. From a results-based management perspective, outputs matter only insofar as they contribute to outcomes. Outputs are, however, the maximum level at which some degree of data aggregation and comparability is available. OIOS notes IMDIS records showing that the total number of outputs produced by the Secretariat declined from 51,333 during the biennium 2002-2003 to 45,714 during the biennium 2006-2007. The standard output categories currently monitored are substantive servicing of meetings; parliamentary documentation; expert groups, rapporteurs, depository services; recurrent publications; non-recurrent publications; other substantive activities; advisory services; training courses, seminars and workshops; fellowships and grants; field projects; conference services; administration; and oversight. OIOS notes that the categories primarily reflect the work of the United Nations in the 1970s or before and do not capture the diversity of work associated with the much-expanded operational field activities of the United Nations in the development, peacekeeping and humanitarian assistance arenas. OIOS thus recommends that the typology of Secretariat outputs be comprehensively revised.

3. Frequency of evaluations

30. OIOS notes the multiple calls that have been made for strengthening of evaluation in the Secretariat (for example, General Assembly resolutions 37/234, 48/218 B, 53/207, 58/269, 59/275 and 60/257). Further, according to the OIOS assessment of evaluation capacities and needs at the Secretariat,[17] overall evaluation capacity at the central, programme and subprogramme levels is inadequate. This is because of insufficient financial and staffing resources, uneven competencies and lack of support from senior leadership. Budgets for evaluation continue to be low,

[17] OIOS report INS-07-002.

despite showing some improvement. By three measures (dedicated evaluation function, evaluation policies and evaluation coverage) capacity has been growing. In the proposed programme budget for the biennium 2008-2009, programme managers estimate that about $44.5 million are to be dedicated to the conduct of monitoring and evaluation activities, representing an increase of 78 per cent compared with the biennium 2006-2007. However, even with these increases, resources dedicated to evaluation are still below the capacity benchmark of between 1 and 3 per cent of total programme costs being earmarked for evaluation activities suggested by the Joint Inspection Unit report on oversight lacunae in the United Nations system (JIU/REP/2006/2). The body of available evaluative evidence on outcomes remains limited in scope, depth, rigour and regularity (A/60/733, paras. 35 and 39).

31. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation give legitimacy to the generic role of the evaluation function, especially that "all programmes shall be evaluated on a regular, periodic basis" (rule 107.2). However, it also brings ambiguity to roles and responsibilities, in particular with regard to evaluation versus periodic programme performance monitoring, assessment and reporting. Also, it does not clearly distinguish between the complementary nature and roles of self-evaluation (i.e., as undertaken under the auspices of respective programme managers) as opposed to independent evaluation (as undertaken by oversight bodies that are not directed by the managers of the programmes in question). Meanwhile, OIOS notes that the link between evaluation and planning and budgeting (see General Assembly resolution 61/235, para. 17) remains a major challenge.

D. Decision-making utility

1. Utility of reporting programme results

32. Through observations from its previously close involvement with the programme performance report, but also confirmed through interviews and focus group studies, the view of OIOS is that reporting of programmatic results by client departments is largely motivated by a desire to comply with instructions rather than perceived utility for their own purposes. IMDIS is, in particular, perceived as being of little practical utility to programme managers and their operational decision-making. Although practice is variable, the overall trend is for IMDIS to get populated with performance data only once deadlines given from United Nations Headquarters draw to a close. As the biennium 2006-2007 came to an end, only 4 out of 34 budget sections had updated IMDIS with rudimentary data for all the planned periodic observations on indicators of achievement.[18] By the end of the biennium 2004-2005, data collection had not been done in respect of 44 per cent of planned observations against indicators of achievement,[19] and only one department collected data on all its planned observation points. Shortly before final deadlines loom however, the observance of reporting requirements rapidly increases. Among peacekeeping missions too, it is apparent that results frameworks in the context of results-based budgeting have not acquired significant operational decision-making

[18] OIOS report INS-COM-08-001.

[19] Sample of 24 departments, see OIOS report IED-2006-006, para. 36.

utility beyond nominally giving justice to budget approval.[20] OIOS thus fully concurs with the Secretary-General (A/62/701, para. 64) that: "the planning, budgeting, monitoring and evaluation activities, including the reporting on achievement of results, have been viewed more as a compliance matter rather than as a management tool for understanding what has worked well and why".

2. Influence of programme results on resource allocation

33. The review of OIOS of results-based management, both at the level of individual entities and in the desk review of documentation from the deliberations of intergovernmental bodies, finds that the achievement or non-achievement of programme objectives ultimately has few consequences for resource allocation, work planning or assessment of managerial performance (A/60/692, para. 74). Decisions are made on the basis of other, not easily identifiable, criteria. In the peacekeeping arena, results-based budgeting frameworks have a different life altogether from the mission implementation plans, which are the real plans that guide mission management. A fundamental condition of associating results-based budgeting with accountability, namely that a priori formulation and ex post facto assessment is accompanied by clarity about how information is utilized, does not exist.[21] These findings mirror that of a recent evaluation of results-based management at the United Nations Development Programme that: "Adjusting work in response to results is the cornerstone of an effective results-based management system. This study has failed to find any convincing evidence that suggests that results are influencing management".[22]

34. OIOS finds that a critical limitation of the original resolution on results-based budgeting (resolution 55/231) to be its proviso that indicators of achievement should "not constitute a method by which to adjust the level of approved resources" and that "requested resources should continue to be justified in terms of the requirements of output delivery" . The resolution also reiterated that any transfers between post and non-post resources would continue to require prior approval of the Assembly. OIOS believes that resource allocation decisions should not, in any circumstances, be mechanically tied to past performance. However, the above proviso seems contrary to the idea of results-based management itself. As noted by the Steering Committee on the Comprehensive Review of Governance and Oversight, discussions and decision-making on budgets and administrative issues typically revolve around detailed issues relating to posts and other expenditure items rather than strategic requirements (see vol. III, para. 18, of the report of the Committee contained in document A/60/883/Add.1). Accordingly, the budget and expenditure management system, (IMIS), is line-item based and does not allow for aggregation or comparison of costs to the accomplishment level. OIOS also notes that the budget cycle is such that, when the programme performance report in respect of one biennium gets tabled, the Assembly has already concluded its deliberations on the budget for the next. This disconnect has been known from the outset and OIOS concludes that little has changed since the Secretary-General noted (A/57/387, para. 164): "The existing systems for reporting and evaluating the performance of programmes have no practical impact on future plans and resource allocation decisions".

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[20] As also noted by the Joint Inspection Unit in JIU/REP/2006/1, para. 7.

[21] As recognized by the Secretary-General in A/54/456, para. 70.

[22] Evaluation of results-based management at UNDP, sect. 3.2.2, page 29, 2008.

3. Link to individual performance assessment

35. In personnel management practices, it is especially difficult to gauge performance in terms of contribution to outcomes. The electronic performance appraisal system (e-PAS) guidance formalizes the requirement that organizational workplans must be reviewed in conjunction with individual workplans. In practice, there is poor congruence between frameworks for programmatic results on the one hand and performance plans of individual managers on the other. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation actually preclude the sharing of information between the programme evaluation and personal performance appraisal systems (regulation 107.3 (e)).

36. Currently there are no individual-level sanctions available for the non-achievement of outcome-level results (A/60/846/Add.6, para. 39). The majority of Secretariat staff expressed the view that, when their performance is reviewed, meeting administrative requirements is considered more important than meeting programme or operational objectives (as reported in A/62/701, para. 39). Likewise, most disagree that e-PAS is used appropriately for documenting and evaluating performance. Only a very small minority of staff believe that the best candidates are usually selected for advancement. The absence of professional misconduct or wrongdoing and compliance with rules and regulations are the most easily understood benchmarks for exercise of accountability and for administration of internal justice. This emphasis is fully understandable, but runs counter to the idea of results-based management, the very heart of which is exactly that of placing emphasis on what occurs beyond procedure.

37. OIOS fully commends the articulation and recent public availability of the compacts of the Secretary-General with under-secretaries-general. Although essentially input-oriented, the initiative represents an important step of transparency and accountability. OIOS would like to note, however, that the only specific compact-related potential sanction or reward that has been flagged through available documentation is "consistent non-achievement of the targets could ultimately result in the delegated authority for recruitment and placement decisions being removed" (A/61/319, para. 7). To the knowledge of OIOS no such sanctions have ever been applied. However, more importantly in the current context, the sanction is, even if implemented, made in reference to inputs not to outcomes.

4. Evolution of parallel processes

38. Surveys and interviews suggest that many Secretariat staff find the existing formal planning, budgeting and reporting cycle to be inflexible to change. Several Secretariat entities have therefore developed separate and parallel governance arrangements for management of official development assistance (ODA) and extrabudgetary funding. In the view of OIOS, these efforts need to be understood as a rational response to results-based management limitations of the kind raised by the current report. These processes can be based on separate formulations of overarching priorities, separate sets of operational workplanning milestones, separate forums for dialogue with Member States, separate accounts and bookkeeping, separate information technology systems in support of monitoring and separate timetables and reports on the status of progress against objectives. In contrast to the project-based ODA environment, the Secretariat regular budget

resource allocation process is an enterprise of incremental adjustment to a body of expenditures that is largely fixed and recurrent (i.e., posts), thereby limiting even the potential scope to which performance information generated through results-based management can be used to inform resource decision-making.

5. Results-based management technical skills

39. OIOS finds that the notion of results-based management being an enterprise of technical proficiency was embedded in the original results-based budgeting resolution (resolution 55/231, para. 28) and reaffirmed in multiple subsequent pronouncements. OIOS finds that Secretariat staff frequently call for more results-based management resources, training and skills development. With reporting obligations being a key motivation, it was OIOS, as an extension of its previous responsibility for the programme performance report, that was called upon to support, promote and advocate results-based management. In terms of time expended on the programme performance report process, OIOS finds resources spent by the Secretariat to have been modest, albeit variable from one programme to another. Likewise, the expense of results-based management training and capacity development[23] has also been small and largely inadequate. If time and money spent on more broadly defined instruments and practices related to results-based management are considered, i.e., planning, budgeting, monitoring and evaluation at large, total resource use is more substantial.[24]

40. OIOS has no doubt that quality of reporting and evaluation will require a strengthened resource base. Simultaneously, the view of OIOS is that results-based management cannot be dealt with as an enterprise that is principally constrained by the absence of technical proficiency on the part of Secretariat staff. Nor is it a function that managers can delegate to monitoring and evaluation specialists as primary practitioners. No amount of monitoring and evaluation can compensate for goals and objectives that are unclear or for which accountability is absent. The culture of the Organization will not be transformed through such efforts on the part of Secretariat staff (an impression that is reflected in paragraph 26 of General Assembly resolution 62/236). Whatever assets are deployed to such functions, the ensuing availability of a fact, however accurate, frequent and pertinent, does not by itself lead to more rational decision-making. As experienced by members of the Organization for Economic Cooperation and Development: "A key reason for the difficult progress is that integrating performance information into public management and budgeting is not primarily a technical problem that can be left to 'experts' such as performance measurers and evaluators."[25]

6. Role of the General Assembly

41. In response to the draft of the current report, the administration stated that the proposals contained in document A/62/701 *present a practical and phased strategy for what would be the only realistic way to implement results-based management.*

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[23] The total cumulative budget allocated specifically for results-based management capacity development since 2001 was $278,282.

[24] OIOS notes the calculation, in paragraph 162 of A/57/387, that approximately $10.3 million of staff time was spent on servicing the committees during the 18 months before the final budget approval.

[25] GOV/PGC/SBO(2005)3, para. 8, OECD Working Party of Senior Budget Officials.

OIOS has reviewed the report of the Secretary-General and appreciates that it recognizes many of the shortcomings in results-based management raised in the present report. OIOS notes that the Secretary-General proposes measures that merit consideration, but observes that these lack specificity, prioritization and order of sequencing. OIOS moreover finds that the results-based management principles and actions proposed by the Secretary-General are not clearly tied to the underlying incentives, sanctions and rewards that guide decision-making at different levels of the Organization, including the intergovernmental bodies. The report of the Secretary-General (A/62/701) did not, in particular, address with sufficient clarity the role that the General Assembly needs to play in making results-based management work at the United Nations. Although OIOS agrees that the principles of "ownership", "leadership" and "culture" of results are critical to results-based management, it notes that these are not issues that can be addressed through administrative measures under the authority of the Secretary-General.

III. Conclusions

1. Orientation to outcomes

42. A challenge for the management of any public organization is to identify the maximum level of results that can be operationally planned for and in respect of which attribution and accountability can meaningfully be exercised. OIOS finds that results-based management has been implemented at the Secretariat in the narrow sense of outcomes being used to justify approval of budgets. However, organizational objectives at the outcome level are numerous, inherently vague and invariably subject to multiple influences and risk factors. Consequently, individual contributions to outcomes defy precise target-setting and impartial monitoring and actual attainment or non-attainment of results matters little to subsequent decision-making. The introduction of results-based management has not signified a paradigmatic shift away from detailed rules, regulations and controls. The Secretariat's programmatic, financial and human resource management systems are as complex and detailed as ever, and largely centred upon tracking inputs, activities and outputs.

2. Culture of compliance

43. OIOS concludes that results-based management is not an enterprise principally constrained by technical proficiency and capacity for data collection, measurement, documentation or reporting on the Secretariat side, although that matters too. The introduction of results-based management has not brought about a shift in organizational culture away from compliance with rules and regulations as the defining characteristic of behaviour. A constraint inherent to the concept of results-based management is that any formalistic approach to codifying how to achieve outcomes can stifle the innovation and flexibility required to achieve the very same outcomes. Orientation towards programmatic results will ultimately only surface as a significant trait of organizational behaviour once such results are actually made to matter. If not connected to underlying incentives, sanctions and rewards, results-based management becomes a paper-making chore. With the current report, OIOS highlights that more strict enforcement of existing rules and regulations will not be a meaningful avenue of response.

3. Progress in results-based management in the context of budget system reform

44. The core of organizational decision-making is the budget process. The most critical barriers to implementation of results-based management follow from the essential limitations placed by the General Assembly in its resolution 55/321 on results-based budgeting, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and the subsequent planning, budgeting and reporting instructions that were developed on that basis. The restrictions embedded in these policies makes ownership of results-based management questionable. Although results-based budgeting was recognized from the outset as being in need of implementation in a "gradual and incremental" manner (resolution 55/231, para. 6), OIOS finds that little change has been made to the original design. OIOS notes that the Secretary-General has made a number of proposals to change the planning and budgeting process (see A/58/395 and A/62/81). However, no further revision has been made to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation since results-based budgeting was introduced, although such revisions had been made on at least two earlier occasions.

IV. Recommendations

45. OIOS concludes that there are conceptual and operational caveats to the applicability of results-based management in the Secretariat but recognizes that it will, at some level, remain an aspiration for the Organization. The recommendations below are intended as a constructive contribution to the Organization eventually making progress towards results-based management. OIOS would nevertheless like to stress the potential risk of them being dealt with in a piecemeal manner. What the Organization needs is a comprehensive "new deal" on results-based management. To that effect, OIOS offers the recommendations below.

Recommendation 1

46. With the aim of establishing clarity of ownership of and expectations for results-based management, OIOS recommends that the Secretary-General propose to the General Assembly an overarching policy and terminological framework to circumscribe the extent and limitations of results-based management in the Secretariat. In the event that the Assembly wishes to renew its commitment to results-based management, OIOS recommends that the proposal from the Secretary-General include an internal control framework that establishes direct links between levels of results (with particular reference to the distinction between outputs and outcomes) and layers of authority and accountability (between Member States, the Secretary-General, Secretariat managers and staff), together with criteria for how results planned and results actually achieved will inform different stages of decision-making. The proposed framework should, moreover, be applicable to Secretariat regular budget resources as well as the extrabudgetary arena (paras. 13-15, 33, 34 and 41-44 above).

47. *The Secretary-General agrees with the overall thrust of OIOS's recommendation but cautions that the implementation of the details of these new approaches must be gradual, allowing for constructive dialogue on the needed*

changes and taking into consideration the limitations and special circumstances of the Organization.

Recommendation 2

48. To ascertain that the framework of rules and regulations pertaining to planning, budgeting monitoring and the performance review process better serve the strategic planning and management needs of the Organization, OIOS recommends that the Secretary-General initiate a comprehensive review and reformulation of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, which were last revised in 2000. The review should address the instruments, structure, timetable and roles and responsibilities of all parties to the resource planning and decision-making process of the Secretariat (paras. 15, 16, 21-24, 33, 34 and 44 above).

49. *The Secretary-General agrees with this recommendation.*

Recommendation 3

50. In response to its observation concerning fragmentation in results-related reporting, OIOS recommends that the Secretary-General request the Assembly to mandate a single performance report combining programmatic and financial information in a manner that consolidates rather than adds to his total reporting obligations (paras. 26-28, and 32 above).

51. *The Secretary-General agrees that there is a need to combine programmatic and financial information to allow for more efficient and comparative analysis of performance. While the pilot "United Nations Secretariat Consolidated Reports" for 2005 and 2006 were proposed as templates for more results-oriented reporting without immediately replacing any existing reporting requirements, the General Assembly did not take a position on their continuation. The Department of Management expects to review the format and content of the programme performance report, for which it now has responsibility, with a view to possibly including financial information.*

Recommendation 4

52. In order to ascertain the possibility of alignment between programmatic, financial and personnel planning and results data, OIOS recommends that the Secretary-General integrate programmatic results frameworks into the first wave of the enterprise resource planning system and broader information and communications strategy of the Organization (paras. 27 and 28 above).

53. *The Secretary-General states that the results-based management module is scheduled for full implementation during wave 2 of the enterprise resource planning, but that "certain key elements" will be included in wave 1.*

Recommendation 5

54. Because they are the level of performance for which managers can most transparently be held accountable and thus form a necessary part of organizational performance management (if not results-based management results at the outcome level), OIOS recommends that the Secretary-General initiate a comprehensive

review and revision of the current categorization of outputs, as reflected in budgeting and reporting requirements, with particular reference to meaningful capture of outputs outside the traditional Secretariat arena, for example outputs pertaining to field-based peacekeeping, humanitarian and development work (paras. 25, 29 and 42).

55. *The Secretary-General notes that his report contained in document A/62/701 proposes a review of the current output methodology.*

Recommendation 6

56. In order to strengthen the technical and methodological capacities of the Organization, OIOS recommends that the Secretary-General: (a) prepare and submit for the consideration of the General Assembly a request for additional resource requirements that comprehensively addresses the respective requirements of: (i) central results-based management coordination; (ii) department-level results planning and self-evaluation; and (iii) independent inspection and evaluation; and (b) promulgates the United Nations Evaluation Group norms and standards as the overarching framework of organizational evaluation practice (paras. 39-41 and 43).

57. *The Secretary-General notes that his report contained in document A/62/701/Add.1 proposes resources for establishment within the Department of Management of a division for accountability and results management and that additional resources would be considered in the context of the proposed programme budget for the biennium 2010-2011. OIOS notes that this action corresponds to recommendation 6, item (a)(i) above.*